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9 **Citizen/Outreach Committee**

10 Wednesday, April 14, 2004

11 11:00 a.m.

12 Primland Resort

13 Patrick County, Virginia

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17 **APPEARANCES:**

18 Mr. H. Ronnie Montgomery, Chairman

19 Mr. Claude B. Owen, Jr., Vice Chairman

20 The Honorable Mary Sue Terry

21 Mr. John M. Stallard

22 Mr. Harrison A. Moody

23 Mr. Fred M. Fields

24 Mr. John T. Taylor

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27 **COMMISSION STAFF:**

28 Mr. Ned Stephenson, Manager of Strategic Investments

29 Mr. Timothy J. Pfohl, Grants Program Administration Manager

30 Ms. Britt Nelson, Grants Program Administrator - Southside

31
32 MR. MONTGOMERY: I want to welcome everyone for coming today, and
33 I guess the first order of business is to call the roll.

34 MR. STEPHENSON: Mr. Arthur?

35 MR. ARTHUR: (No response.)

36 MR. STEPHENSON: Mr. Fields?

37 MR. FIELDS: Present.

38 MR. STEPHENSON: Mr. Moody?

39 MR. MOODY: Here.

40 MR. STEPHENSON: Mr. Owens?

41 MR. OWENS: (No response.)

42 MR. STEPHENSON: Mr. Stallard?

43 MR. STALLARD: Here.

44 MR. STEPHENSON: Mr. Taylor?

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1 MR. TAYLOR: Here.
2 MR. STEPHENSON: Ms. Terry?
3 MS. TERRY: Here.
4 MR. STEPHENSON: Mr. Thompson?
5 MR. THOMPSON: (No response.)
6 MR. STEPHENSON: Mr. Walker?
7 MR. WALKER: (No response.)
8 MR. STEPHENSON: Mr. Owen?
9 MR. OWEN: Here.
10 MR. STEPHENSON: Mr. Montgomery?
11 MR. MONTGOMERY: Here. The next item is the approval of the
12 February Meeting's Minutes.
13 MR. OWEN: Mr. Chairman, I move approval.
14 MR. MOODY: Second.
15 MR. MONTGOMERY: All in favor indicate by saying aye? (Ayes.)
16 Opposed, like sign? (No response.) Motion carried.

17 Our next item is Staff Recommendations on Commission Retreat. Before we go into
18 that, I have a letter from Senator Hawkins that I would like to read, dated April 13, 2004, to this
19 Committee. It reads:

20
21 "Ladies and Gentlemen of the Citizens Committee:
22 As you meet today please let me take a moment to thank you for the work that you
23 have done on this ad hoc citizens' committee. Carthan has kept me apprised of your work, and a
24 number of valuable initiatives have come from your deliberations, especially those related to the
25 topic of strategic planning. With the work of this ad hoc committee completed I look forward to
26 receiving your report on your work. Again, thank you for your invaluable time and efforts on
27 behalf of the Commission and the tobacco region. Signed, Charles R. Hawkins, Commission
28 Chairman."

29
30 I guess we got our charge handed to us today.
31 I guess the first order of business would be the Staff Recommendations on the
32 Commission Retreat.

33 MR. STEPHENSON: If I may, Mr. Chairman, I'd like to set the time frame
34 a little bit here. We have essentially two items before us today. We can talk about the strategic
35 planning effort for a little while, and we also have with us a guest speaker to bring us some
36 information. Lunch is scheduled at 12:30, and the Education Committee is scheduled
37 immediately after lunch or at 2:00 in this room. Anyone interested in staying for that is welcome
38 to stay.

39 Many of you are aware that we have been working since our last meeting on the
40 strategic planning effort to take the long-range plan that was developed a year or so ago and try
41 to build upon that. You have with your Agenda a pro forma, and I believe that is laying on the
42 table, essentially a pro forma of the particulars for that strategic planning effort. I'd like to open
43 that up for some discussion this morning as to how we might shape that. I'll tell you that since
44 the last meeting it was suggested to me from a couple of Commissioners that John Rosenbloom

1 might be a good facilitator to lead us in that effort. I've had two conversations with John, and he
2 has agreed to do this. Some of you in the room know more about John than I do, but John has
3 been the Dean of the Darden School for about fifteen years, and he is not there anymore, but he
4 is a very able facilitator and a very able business leader. I think we will be lucky to have him.

5 If you'd look at the sheet that came with your Agenda for just a moment and we might
6 talk about some of the details of this strategic planning effort. Currently it is slated to be in
7 Bristol in the same time frame as the regular Commission meeting. We would have the two
8 planning meetings the day before and the morning of the regular Commission meeting and try to
9 kill two birds with one stone. I'd be interested in knowing from some of you Commission
10 members about the Bristol address. Is that something that is traditionally done, or are we wed to
11 Bristol as the best place? It seems like this would be a suitable facility as well. What do you
12 think about the address?

13 MR. OWEN: Has a location for the July meeting itself been determined?

14 MR. STEPHENSON: Not yet, but I understand we have used the Holiday
15 Inn in Bristol in times past, but that has not been booked yet, so we need to do that. I didn't
16 know if there were persons on the Commission that were counting on Bristol to be the location.

17 MR. MONTGOMERY: How about you, Fred? As far as I'm concerned,
18 Southwest, John, I don't know about Senator Wampler and Delegate Kilgore and Delegate
19 Johnson, but --

20 MR. FIELDS: I don't think we want to meet in the Jonesville Motor Lodge.

21 MR. MONTGOMERY: Probably not, but it would be interesting, though.

22 MR. OWEN: Mr. Chairman, before we talk about where, I think, but the
23 issue as to whether it should be combined with the regular Commission meeting date. My
24 personal prejudice would be not to do that. I think if you blend that in with the Commission
25 meeting it is going to be a little bit more like business as usual, and you'll have perhaps other
26 agendas and activities going on, executive committee meetings and other committees that feel a
27 need to meet. I think certainly if you do strategic planning and then do a regular Commission
28 meeting and people depart the meeting they are going to leave with the insights of the
29 Commission meeting itself rather than a planning retreat. I think one of the benefits of a
30 planning retreat, and one that is separately held, is that you leave with a sense of mission and
31 idea of maybe a new focus that people can think about without mixing in the details and getting
32 involved with committee reports and that sort of thing at regular meetings. I personally think,
33 and I know it would be less convenient, but I personally think I'd rather see us meet at a different
34 time than the regular Commission meeting.

35 MR. STEPHENSON: We are not wed to that schedule at this time.

36 MR. MONTGOMERY: What are the feelings of the rest of you?

37 MR. TAYLOR: I concur with Claude. While we're there, and somewhere
38 along the line I see where we would have double occupancy in the rooms?

39 MR. STEPHENSON: That's gone.

40 MS. TERRY: Yes, I was wondering how that was going to work for me.

41 MR. STEPHENSON: I'm not sure what the accommodations are like at this
42 facility and whether they can accommodate forty people in single rooms, and that is when we
43 were thinking of coming here, but we will have to figure that out.

44 MS. TERRY: I think Claude made some good points.

1 MR. STEPHENSON: What I would like is for this group to have this thing
2 kind of formed up pretty tightly when we go to the Commission in May so that we have the
3 details sorted out, but we are not wed to that facility.

4 MR. MONTGOMERY: I agree, I think it would be more effective to spread
5 it out, myself.

6 MR. TAYLOR: Is it cut in stone that we are going to have a Commission
7 meeting on July 22nd?

8 MR. STEPHENSON: It's not cut in stone, but that date has been set for a
9 right good while. It probably wouldn't serve things up to try to move that date. The Bristol July
10 meeting could go on as planned, and we could pick this date and put it where we want to. That
11 begs the question, sooner than July or later than July?

12 MR. TAYLOR: I would say sooner than later. I think the overall
13 Commission would be looking for a report from this Committee at the July meeting.

14 MR. STEPHENSON: I don't understand.

15 MR. TAYLOR: I think we could firm up before the July meeting. I think
16 the Full Commission will be looking for a report from this Committee.

17 MR. STEPHENSON: Absolutely, I had hoped that we could do that in
18 May, that we could firm things up and have a date and time and some details set to recommend
19 in May so that the planning can happen. My question was whether or not you are planning a
20 retreat itself and whether that should occur sooner than July or later? Sooner than July is a little
21 tight for planning purposes.

22 MR. OWEN: The subsequent meeting is scheduled for October. I know I
23 am, and some others, are still a product of our childhood, and September is a time you got back
24 into the roll of things after summer vacation and seemed to be a good time to get a new frame of
25 mind to kick off things with the September date.

26 MR. PFOHL: Mr. Chairman, we've got two Full Commission meetings in
27 May and July, and there's two holiday weekends in-between there, and that's a fairly compacted
28 time frame. When we get past the July meeting, then we'll have more space between July and
29 October to work out the retreat.

30 MS. TERRY: Why is there a meeting in July? Is there any reason related to
31 grants? Why are there two meeting so close together?

32 MR. PFOHL: I don't think there is any particular reason why July is
33 scheduled.

34 MR. OWEN: I think the April meeting was pushed back to May. In a
35 normal schedule we would have had an April meeting.

36 MR. STEPHENSON: I think September is fine with me. I was just
37 suggesting September if it pleases the Commission. I'd have to work that out with Rosenbloom
38 and try to find a way to set that date.

39 MR. TAYLOR: I think what we should do is give Mr. Rosenbloom a date
40 and find out when he is available, and then we can see if that conflicts with any of us, and then
41 go from there.

42 MR. FIELDS: Do we need a day and a half?

43 MR. STEPHENSON: How much time do you want? My sense is that in
44 the planning environment somewhere approaching twenty-four hours is about all that people can

1 give and stay on the task, because if it gets much longer than that it drags on. What is your
2 pleasure on the timing and the time of the week?

3 MS. TERRY: The twenty-four hours starting around the evening and then
4 the next day or around noon the next day?

5 MR. STEPHENSON: Longer is fine if you feel you need it and if it you
6 feel people can stay on task that long.

7 MS. TERRY: The only thing I would think is that a lot of this is getting to
8 know each other. It's hard to do that when we come in and we meet and then leave. It may be
9 too long, but I just throw out meeting maybe the night before and having a nice social evening
10 and then start the next morning, but do something nice the night before.

11 MR. STEPHENSON: To start at five or six?

12 MS. TERRY: Five or six, have a nice evening and then maybe start the next
13 morning around nine. We might come in with some kind of introductions, something that will
14 kind of just help grease things, that was just a thought.

15 MR. MONTGOMERY: What is your preference, during the week or
16 weekend, or Friday night or Saturday, or does it matter?

17 MR. TAYLOR: I'd like to see it during the week.

18 MS. TERRY: If we had it toward the end of the week maybe we could get
19 tickets to a game, a home game with Virginia Tech.

20 MR. OWEN: In thinking about your comments, Mary Sue, instead of
21 starting at eleven o'clock start maybe about three thirty and have introductions for maybe an hour
22 or two with the facilitator doing most of the talking and have your social hour, and then the next
23 day instead of quitting at noon maybe carry on through lunch and take it to three or so in the
24 afternoon, get your work done mostly in the morning and then wrap up after lunch. That way
25 you could have a little bit of an introduction and then have your social hour that night and then
26 carry on a little bit longer the next day.

27 MR. PFOHL: Is there some timing in the month as far as the growers that
28 would be better or worse, if they are actively farming in September is there a good time?

29 MR. STALLARD: Pick it on a rainy day. We stay pretty busy from May
30 through September.

31 MR. STEPHENSON: If it pleases the Commission I'm going to try to take
32 what you said here and look for a September date that Rosenbloom could accommodate late in
33 the week beginning in the mid-afternoon hour with a nice evening social and work through most
34 of the next day. The only other thing is the place, and if we're disconnected from the meeting in
35 Bristol, then we are free to choose wherever we want to. I haven't scouted this facility, but what
36 do you think of this location here as a possibility, or another one you might know of?

37 MR. STALLARD: I scouted this yesterday, and I like it.

38 MR. STEPHENSON: Do they have accommodations for forty people in
39 single rooms?

40 MR. STALLARD: No, I don't think so, I think there would have to be some
41 sharing.

42 MR. STEPHENSON: That's where this two to a room came from.

43 MR. OWEN: In the house where you are staying, how many rooms are
44 there?

1 MR. STALLARD: There are some one-bedroom units, but some of the
2 others have two bedrooms, two baths, two small bedrooms upstairs for children.

3 MR. STEPHENSON: We'd be calling in April saying we want forty rooms
4 for one night in September, that might jam them up.

5 MS. TERRY: We can certainly check on that while we are here today.

6 MR. FIELDS: Mr. Chairman, we were planning this in conjunction with
7 the Bristol meeting. Why don't we just back up from that and take these recommendations to the
8 July meeting? Is it too close to that time to change that?

9 MR. STEPHENSON: My only thought, Fred, is that if we wait until July
10 before we make arrangements with a hotel and the schedule and so forth it may be too late.

11 MR. FIELDS: The end of June or first of July?

12 MR. STEPHENSON: I would like to think that if we could get a consensus
13 today that details could be before the Commission in May, and if the Commission says yes we can
14 work hard to get all of it lined up and on the books for September.

15 MR. MONTGOMERY: I think September sounds good to me, unless
16 anyone has a serious objection to it.

17 MR. TAYLOR: I like Abingdon, and maybe you could work out something
18 with the Martha Washington Inn and the Barter Theater.

19 MR. MONTGOMERY: They could accommodate forty rooms; that would
20 be no problem.

21 MR. STEPHENSON: Is there another place that you know of, or do you
22 want me to --

23 MR. FIELDS: Roanoke, Hotel Roanoke is always available.

24 MR. MONTGOMERY: The Park, that's an interesting place, that's the
25 Grand Canyon East, The Breaks Interstate Park. It's near Grundy, but it is in Dickinson County.
26 They have the accommodations, I would think. Do you have a sense of the Committee?

27 MR. STEPHENSON: I have a sense of the Committee. As long as it's
28 acceptable to the Committee that when you see this next it will be in firm detail in front of the
29 Commission, but I'll send to you what we have. We won't have another chance to talk about it.

30 MR. TAYLOR: Will you send it to us in time for you to get a response?

31 MR. STEPHENSON: Yes, I'll send it to you, and if there's a schedule
32 conflict with a single individual it's hard to do much with that at that late hour.

33 MR. TAYLOR: The main thing I guess would be around the speaker.

34 MR. STEPHENSON: Yes, he's got a busy schedule, and I'll have to depend
35 on him.

36 MS. TERRY: I went upstairs to speak to someone who could give us the
37 information about the forty rooms and that type of thing, and she has come down here to give us
38 some information.

39 MR. STEPHENSON: Can you accommodate forty people overnight in
40 single accommodations?

41 CATHY: Yes.

42 MR. STEPHENSON: Is it likely you could do that in September?

43 CATHY: Yes, September is one of the slower times here. We'd have to
44 have people sharing a house with separate rooms. We have fifteen lodges.

1 MR. STEPHENSON: Six or eight folks to a house?

2 CATHY: We have the different lodges, but some have seven bedrooms or
3 eight.

4 MR. OWEN: Would they have a separate bath or share that?

5 CATHY: Some share a bath and some do not. If you want separate
6 bathrooms we could work that out as well.

7 MR. STEPHENSON: In order to accommodate that I can work with these
8 folks and you could indicate whether or not you absolutely have to have a private room or share
9 a bathroom so we can make everyone happy.

10 MR. OWEN: Geographically this place seems to be convenient for
11 everyone.

12 MR. STEPHENSON: I'm going to have to work that out and see what is
13 available.

14 MR. OWEN: If you're talking about a Thursday and Friday, there are three
15 Thursdays and Fridays in September after Labor Day.

16 MR. STEPHENSON: The only thing I might like to ask, which is more
17 important than anything else, I'm going to work and try to work up some of the issues and basic
18 background and the long range plan that we did some time ago. The question I wanted to ask
19 this Committee is are there certain specific issues that are important to this Committee that you
20 want to make sure were addressed or dealt with in this planning session. When we met last time
21 we had kind of harvested what we called an issues list, and that was a list of things that had come
22 up in our discussions, and I'm going to supply that to John Rosenbloom. There are many issues,
23 but I don't want for there to be one that is important to you that we miss.

24 MR. OWEN: In Chairman Hawkins' letter he indicates that our work is
25 about done. Is our report and recommendation going to be limited to a single recommendation to
26 have a planning retreat, or will we have additional recommendations about any of these issues?

27 MR. STEPHENSON: That is a very good question. We need to answer
28 that today so we know how to report.

29 MR. OWEN: I don't remember the full list of things we talked about, the
30 committee and organization structure and the leadership appointments of those committees and a
31 number of hot-button issues. The better way to do that is to let it come out at a Full Commission
32 meeting for strategic planning, or do we have things we want to identify? We have identified
33 issues, but we haven't really discussed them much as far as the merits of them.

34 MR. FIELDS: Do you just have one copy of that?

35 MR. STEPHENSON: No, I have several here, and I'll pass them around the
36 room.

37 MR. MONTGOMERY: We have an Educational meeting starting at two
38 o'clock today after lunch, and it is now ten minutes to twelve. How long will your report last?

39 DR. FAGAN: I can go through the nuts and bolts and streamline it and then
40 carry over until lunch, but I'll probably need your undivided attention for twenty or thirty
41 minutes, and then open it up.

42 MR. MONTGOMERY: I wanted to make sure we have enough time for
43 you.

44 MR. TAYLOR: Why don't we move into this now, then?

1 MR. OWEN: Unless we want to spend hours talking about each one of
2 these points, perhaps the way to do this is to agree on a planning retreat, and we'll have this list
3 for the planning retreat, and we can do that and make in our report to the Chairman and say we
4 think there should be a planning retreat and these are the key issues that we have uncovered,
5 although there may be others that need to be revisited as we update our strategic plan.

6 MR. STEPHENSON: To ensure that they are in the agenda for the plan and
7 Rosenbloom will have that.

8 MS. TERRY: I think that is going to be very hard to do that here today
9 because of the hour now, and then there is a two o'clock meeting, and people have driven a long
10 way. We just don't have much time.

11 MR. OWEN: We recommend a retreat, and these are some issues that we
12 think need to be discussed in the retreat as we update a plan.

13 MR. STEPHENSON: One of which is the calling and setting of meetings
14 and the calendar and the whole spectrum, and that is one of the issues that we need to address,
15 because we get squeezed up.

16 MS. TERRY: Yes, I just think that we come into these meetings and there is
17 not ever enough time to have collegial discussions because we're always up against the time for
18 another meeting. It doesn't make good collegiality because of that and I think the issue of
19 expressing value judgments, some value judgments. I called you after we got the initial charge
20 to the Committee last time, because I knew there was more to it than that. Everyone was sent
21 the full statement of the challenge, and I thought one of the key provisions of his charge, or the
22 last thing he said before he closed his comments, "that I'm appointing citizen members because
23 legislators have a hard time saying no." So, basically what he was asking, or what I heard for us
24 from what he said, was de-politicizing this process and creating a new process, and that is heavy
25 duty. I think for our retreat to be meaningful we ought to be working to put something
26 substantive on the table for consideration. Do you know what I'm saying?

27 MR. STEPHENSON: I do, Mary Sue, and Staff has undertaken to do that,
28 and the Staff can only bring what the Staff knows, it should come from this group.

29 MS. TERRY: Which means another meeting. I think we need to bring
30 some recommendations on some of these things. If we can arrive at a consensus on a few things,
31 then that will take some time. They are just ideas, and we are open for better ideas. If we have
32 only twenty-four hours to deal with these things we ought to be fleshing out grant structure, like
33 deadlines, and putting some ideas out there.

34 Another subject I think we have to talk about is the By-laws. This could be something
35 a special sub-committee could do. But, our By-laws have never been adapted, and when you
36 refer to Roberts' Rules of Order, and when you go to Roberts' Rules of Order you don't have
37 enough in the By-laws to make a bridge between the By-laws and Roberts' Rules of Order. The
38 By-laws do not contemplate the sub-committees, they are just really a bare-bones structure. In
39 my judgment one of the outcomes needs to be appointment of a special committee to come back
40 with a more adequate set of By-laws for this organization so there is some guidance. If I were on
41 the other end I would like to think that even if I were not a legislator that I would like not just to
42 have or to say these are some alternative ideas, we might do it this way or do it that way, so we
43 don't have a group of thirty trying to invent something.

44 MR. MONTGOMERY: I understand what you are saying, but the Full

1 Commission and the retreat may not have enough time to do that and maybe to deal with them,
2 maybe we could do what you want or hopefully would come out of the retreat.

3 MR. OWEN: One way to do it would be to come forward with
4 recommendations at the May meeting and say we want to have a planning retreat and these are
5 maybe not an exhaustive list but among the issues that we think should be covered, and by the
6 time we get to the September date the Citizens Committee will have further fleshed some of this
7 out and be bringing more specific recommendations to the retreat.

8 MS. TERRY: Maybe alternative recommendations.

9 MR. OWEN: And that would require some time between May and
10 September that this Committee meet again.

11 MS. TERRY: They might add some of their own issues to it.

12 MR. FIELDS: You might have that meeting over at Bristol.

13 MR. MOODY: We talked about all of these things at the last meeting. I
14 guess Staff could expand on what we said in the Minutes about each of these issues and let them
15 know a little bit more about what we are thinking, maybe get that draft up to us and look at it and
16 see if we can expand on it anymore.

17 MS. TERRY: I just don't want to put Staff in an awkward position. We've
18 been talking about more citizen members as chairs of different committees, and I just don't want
19 to put Tim and Ned in an awkward position with the Chairman.

20 MR. MOODY: It should be the feelings of the Committee and not the Staff.

21 MR. MONTGOMERY: What are the feelings of the Committee, doing that
22 either prior to or after the Bristol meeting? I think it makes a lot of sense, although I personally
23 won't be able to be there, logistically it makes a lot of sense.

24 MR. MOODY: To hold the Citizens' meeting in Bristol?

25 MS. TERRY: At some point we want to be able to flesh out some
26 documents or have little pieces of paper, we might have something, these are ideas about, you
27 know, whatever.

28 MR. TAYLOR: Why not have it at the Hotel Roanoke, that's a central
29 point?

30 MR. MONTGOMERY: Change the July meeting?

31 MR. TAYLOR: That way you eliminate a hotel bill.

32 MS. TERRY: You mean change the Bristol meeting?

33 MR. TAYLOR: The ones that are going to fly in will fly in that morning.

34 MR. STEPHENSON: The Bristol meeting has been on the calendar for a
35 good while, and if you move it you may stir up a lot more people than it will help.

36 MR. TAYLOR: Leave the meeting of the 22nd where it is, and this meeting
37 that we are talking about here, we can do it in August and maybe do it in a more central point,
38 like the Hotel Roanoke, and everybody could drive and make it for a one o'clock meeting.

39 MR. STEPHENSON: Are you comfortable that all of that fits within the
40 Chairman's letter, and I'm thinking about his letter and what he wants you to do. The Staff will
41 certainly put it together if you would like.

42 MR. FIELDS: Mr. Chairman, what are we going to attempt to do? Are we
43 going to attempt to make suggestions on each of these bullets right here? Is that what we are
44 trying to do for the July meeting?

1 MS. TERRY: Not for the July meeting.

2 MR. MONTGOMERY: For the retreat.

3 MR. FIELDS: We're going to try to give the Full Commission this before
4 we go to the retreat, or we'll have to do it at the May or July meeting. Are we trying to give it to
5 the Full Commission, or is that what we're planning to do, or suggestions?

6 MR. OWEN: Fred raises an alternative, but if our purpose is to give the
7 most complete report, and if we come back and tell the Chairman that our recommendation is to
8 have a strategic planning meeting for the Full Commission, this as an exhibit is a list of issues
9 prior to the May meeting or concurrent with the May meeting, we have another meeting of this
10 Committee and put as much substance on this as we can even though we won't present the
11 substance at the May meeting we as a Committee will have completed the work, and it will be a
12 matter of Staff putting it down on paper for the Committee and the Full Commission to have
13 before the retreat.

14 MR. STEPHENSON: Then the Commission can do what they will with it
15 after the retreat.

16 MR. OWEN: That would mean our meeting, instead of meeting
17 concurrently with the Bristol meeting, try to meet during the time of the Danville meeting if time
18 allows it.

19 MS. TERRY: Then if we need more time then we can do that.

20 MR. MONTGOMERY: Do we need a vote on that?

21 MR. OWEN: What else is organized around the Danville meeting?

22 MR. STEPHENSON: The July Bristol meeting?

23 MR. OWEN: I'm talking about the May meeting, the one in Danville.

24 MR. STEPHENSON: That's a fairly heavy agenda, we have two economic
25 grant cycles that will come to the table.

26 MR. OWEN: I'm talking about Committee meetings before and after and
27 during. It wouldn't conflict with this Committee if we tried to have a meeting the afternoon
28 before?

29 MR. STEPHENSON: None on that day. There are no other meetings that I
30 know of scheduled on the Commission meeting day.

31 MR. OWEN: How about the previous day?

32 MR. STEPHENSON: They are a week or two weeks ahead of that meeting,
33 but none on that day.

34 MR. FIELDS: Economic Development time, there'll be a lot of meetings.

35 MR. OWEN: And there is a reception the night before the meeting, but
36 there is nothing scheduled that afternoon as far as another meeting, and the Commission meeting
37 starts at eleven?

38 MR. STEPHENSON: I don't know that.

39 MR. OWEN: Assuming it is eleven, and I think that is right, then we could
40 actually meet, if the group is willing to come in a little bit early, sometime that afternoon and
41 then again the next morning before the Full Commission.

42 MR. FIELDS: Which meeting are you talking about?

43 MR. OWEN: The Danville meeting in May.

44 MR. FIELDS: Danville in May and Bristol in July?

1 MR. OWEN: The first item on our agenda that I know of, or that we've
2 been told about, is a reception at six thirty the night before the Commission meeting. I was just
3 wondering if we could come in earlier and have a little time that afternoon before the reception
4 that night. Assuming the Commission starts at eleven o'clock, we could use some time the next
5 morning, because what he is telling us now that there are no other meetings, or even ten o'clock.

6 MR. STEPHENSON: As far as I know there are no others that day.

7 MR. OWEN: That would give us a couple of hours. That way if we went
8 to the Full Commission with our recommendations to have a planning retreat, then we could say
9 these are the issues that we are wanting to, or among the issues we want the Commission to deal
10 with at the retreat, and by the time you get to the retreat we've got some ideas about each of these
11 issues the Staff will have provided based on our meeting up to today. Our meeting will be over.
12 If the Chairman wants to disband our Committee and our work is done all he has got to do is
13 complete putting on paper what we say our Committee meetings around that afternoon and
14 morning.

15 MS. TERRY: Surely the Chairman will not disband our Committee if our
16 work is not finished. He made a very big announcement.

17 MR. TAYLOR: If he disbands the Committee, why do you need a retreat?

18 MR. OWEN: The retreat is for the Full Commission.

19 MS. TERRY: The retreat will be meaningless unless we do some
20 homework. He is not going to disband our Committee if our position is that we haven't finished
21 his charge. He had a very complete charge, but also part of the charge had to do with the fact
22 that he said legislators have a hard time saying no, and that is a process issue, and it is a tough
23 nut to crack.

24 MR. OWEN: Well, I think still, logistically, if we had the meeting today we
25 want to deal at some future point between now and September with these issues in a little more
26 depth, and the Danville meeting with the Full Commission would offer us a good opportunity to
27 do that.

28 MR. MONTGOMERY: I agree with that. In May we should be able to
29 cover it in the afternoon before. Try to do it the afternoon before if we can, because more than
30 likely something else would come up in the morning.

31 MS. TERRY: The Staff can give us a white paper on each one of these.

32 MR. MONTGOMERY: That makes sense to do it then.

33 MR. STEPHENSON: The afternoon before the evening reception?

34 MR. MONTGOMERY: Yes. We could come in at lunch time, and it
35 wouldn't really inconvenience us that much, because the day would be shot coming in anyway.
36 If that is the sense of the Committee, then we'll move on with that. Do we need a motion?

37 MR. STEPHENSON: I don't know that you do, that's up to you.

38 MS. TERRY: It would be very nice if at some point we had a computer
39 there. By the end of the meeting we would have the final draft in front of us, if that can be
40 arranged.

41 MR. MONTGOMERY: I think we have had a very fruitful discussion.
42 Now, we have on our Agenda the Retirement Development Program Report.

43 DR. FAGAN: Do you want to start now or go have lunch and come back?

44 MR. MONTGOMERY: How long do you need?

1 DR. FAGAN: I can start, and then you can take a break and have lunch and
2 come back and finish up.

3 MR. MONTGOMERY: We want you to cover it, and I think you should
4 take all the time you need.

5 DR. FAGAN: I could talk about it all afternoon, but whatever your
6 schedule is.

7 MR. STEPHENSON: I wasn't with the Commission at the time, but the
8 Special Projects Committee commissioned this study by Dr. Fagan concerning retirement
9 development in our communities. Part of that study involves him coming and bringing his report
10 to the Commission, so he has come today to do that, and he'll wrap up some of the work. I
11 believe he has copies for everyone.

12 DR. FAGAN: I have executive summaries for everyone.

13 I started this study for what I call the Virginia tobacco region for thirty-four counties
14 in the Southside and Southwest. As I understood the entire Commission's mission is to find
15 ways to channel the money from the Tobacco Commission into these thirty-four counties to help
16 create jobs because those were the counties that were negatively impacted by the loss of the
17 tobacco industry and agricultural industry during the last few years.

18 MR. MONTGOMERY: Actually it was coal out our way in Southwest
19 Virginia and furniture in Southside.

20 DR. FAGAN: So, I went about this study with that in mind. I'm coming
21 from Jacksonville State University in Alabama. So what we are talking about here is economic
22 development, and one of the strategies that can be used for economic development, and there's
23 only two basically. One is to produce something and sell it as you were doing, and the other is to
24 have people bring money. The money staying in the area is what creates the jobs. So economic
25 development is simply jobs for your children and grandchildren. How do you get people to bring
26 their money to develop commercial areas and distribution, tourism and retirement? What I want
27 you to understand is, and I was up here last summer, but what I want you to really understand is
28 that the retirement industry is a multi-billion dollar business. When you start to look at the
29 amount of money transferring from states that are sending retirees out and states that are
30 bringing in retirees. Basically three hundred fifty thousand in total assets, thirty-eight thousand
31 annual income, the economic impact is 3.3 factory jobs for every household you can get to come
32 in. They do eighty-five percent of their spending locally, and these are a few of the economic
33 bullets. I want you to understand the importance economically of this industry. Once you do
34 that, then we can look at what this region has to offer.

35 The third thing would be my recommendations on how you can use this as your
36 groundwork as you move ahead and start capitalizing this and implementing this as a strategy.
37 Basically they are controlling seventy-seven percent of the personal assets. I'm talking about
38 people fifty years of age and over and fifty-five and over.

39 MS. TERRY: What do you mean by personal assets they control?

40 DR. FAGAN: They have all the money, basically.

41 MS. TERRY: Personal assets generally?

42 DR. FAGAN: Personal assets period. People fifty-five and over control
43 seventy-seven percent of all personal assets.

44 MR. MONTGOMERY: You have got fifty.

1 DR. FAGAN: Fifty and over, but I'm going to be jumping a little bit when
2 you look at the market of retirees fifty-five and over, but fifty and over, generally what we call
3 the maturity. Sometimes I try to find something a little more than fifty-five. Just to give you an
4 idea of what has happened in Florida, the fifty-plus population outspends those under fifty by a
5 hundred thirty-five billion to a hundred twenty-three billion. The fifty-plus population
6 accounted for 4.2 million jobs in Florida. Florida has a forty-year history of this. When we want
7 to look at the impact of this we go to Florida, and we go to Arizona and other places. All of this
8 information is contained in this handout that I am going to give you. What I want you to
9 understand is that retirees give much more than they get. They pay more in taxes than it costs in
10 services. It is the best way to raise your revenue without increasing your tax rate.

11 What types of jobs make up the retirement industry? Real estate, residential or
12 commercial; finance, including banks, insurance, stocks, financial planners, accountants; and
13 health care professionals; and recreation and entertainment; hospitality and restaurants and
14 lodging; retail, durables and non-durables; and utilities; and also tourism. Somebody might say,
15 are these low-paying jobs? I don't think so. These are the people that get the jobs, and it is
16 heavy with the service industry, and these are the people that are providing the services that the
17 retirees can pay for.

18 What are the benefits of bringing retirees into the region? Create and retain jobs,
19 increase the tax base by increasing the number of positive taxpayers, increase community deposit
20 base for a financing infrastructure and other industry, increase retail sales, increase the number of
21 volunteers, and enhance the quality of life. Retirees are basically retirees that move into a
22 region, will not strain your social services, will not strain your healthcare, will not strain the
23 school system or the criminal justice system or create environmental problems.

24 MR. MONTGOMERY: You say it wouldn't strain the healthcare?

25 DR. FAGAN: They pay for their own healthcare. When they move into a
26 community, hospitals expand. They have worked and they have healthcare, they pay for their
27 healthcare, and they have insurance and Medicare and Social Security. They will actually
28 stimulate healthcare in the community. They will not strain what is there, plus they're Medicaid
29 people or people without insurance.

30 So look at what kind of strategies you have. You have this region and all of these
31 counties and all these smaller communities. You say maybe we should look at the silicon chip
32 sweepstakes, maybe we should try to bring in some chip people, or maybe we should bring in
33 some manufacturers. I can tell you right now over the last three or four years those plants are not
34 relocating and barely starting to see employment come back in these areas. I think
35 manufacturing has significant over-capacity right now. You've got thirty thousand communities
36 chasing three hundred plants to relocate. Communities that get those plants have to give away a
37 lot to get the plant. I did a breakdown here of some companies that relocated plants, just to give
38 you an idea of the cost per job. BMW to Greenville in '92, eighty-one thousand per job.
39 Mercedes Benz in Tuscaloosa, Alabama, one hundred and ninety-three thousand per job. That is
40 how much the communities gave that plant there. FedEx one hundred eighty-two thousand per
41 job. Nucor Steel, five hundred thousand per job. We brought in a plant with a thousand jobs,
42 fifteen hundred jobs. A lot of these companies are subject to downturns in the major economic
43 cycle. Del Webb, who developed a lot of retirement housing in these different communities, and
44 they bought five thousand acres near Hilton Head Island in South Carolina and created thirteen

1 hundred fifty jobs that cost two thousand seven hundred per job.

2 What are the things that attract industry, and what do you have to have? You've got to
3 get organized, you've got to have a marketing program, you've got to negotiate with interested
4 businesses, you've got to gain necessary approval, you've got to develop access roads and
5 utilities, you've got to develop buildings, you've got to go through surveys, zoning and the whole
6 bit, you've just got to go through a lot of hoops and a lot of hard work in developing all of this
7 before the retirees will come. I got excited as I went through this region, because I realize this
8 region has great potential for retirement. If you look at the geographical characteristics for
9 retirement areas, you'll find usually in the center some sort of urban environment that will
10 provide the basic services. Those services include healthcare, transportation, such as airports
11 and commercial, some sort of cultural attraction, but the hub is going to be this urban area.
12 Retirees are choosing more to live in the rural areas surrounding an urban area. They want easy
13 access to the urban area, they want to be out where it is quieter and safer and lower cost of
14 living. They want some elbowroom, and they want to get away from the cars and concrete.
15 That's why they are moving from Cleveland, Washington, and they want to get to the scenic
16 areas where there is abundant outdoor attractions and a place where they can get involved a little
17 bit. My specialty for twenty years has been rural economic development, especially in
18 retirement areas.

19 I was thinking about eastern North Carolina and western North Carolina and also the
20 coast along South Carolina, northeastern Georgia, Arkansas are very popular areas. Retirees are
21 looking for that new and upcoming retirement area. All the literature published about retirement,
22 and they call me from time to time, most of them are looking for new retirement areas. I get
23 calls frequently about what do you think about some of the new and up-and-coming retirement
24 areas.

25 I did a study of Hendersonville, North Carolina, and I did that in 1990. They had a
26 twenty-year history, and all of these things had changed over twenty years. They had an influx
27 of retirees, and that made changes imminent. They ended up with something like fourteen
28 hundred subdivisions, and roads had changed, and a lot of growth and development. All of a
29 sudden people came in, and they didn't get the same feeling that those had come in twenty years
30 before had.

31 I'm getting really excited about the potential up here, and we can break it down to four
32 geographical areas. Basically you've got four geographic areas here in this region. That is the
33 Roanoke Valley and the City of Roanoke, which provides all the services, shopping,
34 transportation, hotels and all that good stuff in a suburban area, and it is centrally located, and
35 there's a lot of potential there in the Roanoke Valley.

36 Then it goes in through Smith Mountain Lake, it's a very beautiful lake, and the
37 history of recreation. There is real estate development around there, and there are more services,
38 and commercial services and retirement industry is going in. It is also close enough to hospitals
39 and basic services. As more of those services develop close to the lake, then it is going to be
40 very strong.

41 Then you have Buggs Island Lake, a little more remote and a little less developed but
42 a great potential for a lot of real estate development, and there are big tracts of land over there
43 and a lot of these developers are trying to work with the Army Corps of Engineers to obtain land
44 and to bring these home builders in, and they can also help market the area. So, there is a lot of

1 potential in that area. The Buggs Island Lake gets a lot of support from the towns in North
2 Carolina, as far as major universities, healthcare, airports, commercial services. The towns in
3 North Carolina need the recreation and they need the rural area near Buggs Island Lake. These
4 people that are migrating for retirement and people sixty to sixty-five, they don't need to move
5 next to the university medical center. If they don't move before they are sixty-five it is hard for
6 them to do that. Those that are able to move are the healthiest and wealthiest and best educated
7 of all the retirees.

8 Finally, you have the Blue Ridge Mountains, and Bristol is going to be the main urban
9 hub, but you have all these interesting smaller towns up there where Mr. Montgomery lives, and
10 the Cumberland Gap area, including Abingdon. That area has a lot of history and culture and
11 music and scenery, including the National Forests, the Blue Ridge Parkway, the Appalachian
12 Trail. Areas that are popular with tourists are going to be involved in retirement areas. Any
13 retirement area sort of evolves out of a tourism area. If you have tourist attractions within the
14 region it's a matter of picking up on that. Retirees are permanent tourists. When they come to an
15 area they will visit all of the local tourist attractions, because they have the time and the money
16 to do that.

17 I've got about five slides, and these are all listed in the summary. As I traveled
18 through the area what are the strengths that I identified? Mild winters and sunny days. Some
19 people like four distinct seasons. It used to be that people migrated from the East Coast to
20 Florida, and they had the sunshine, and there was no change to that. They missed having a little
21 snow from time to time, so they moved half way back and went to places like North Carolina.
22 Then you have your natural summers and a little bit of air condition and you have everything
23 that they have right here: fresh air and water, wide-open spaces, long growing season, rich soil,
24 Southern hospitality, year-round recreation, and friendly people. You might have to pick and
25 choose a few days in the winter when you're going to play golf, but basically you get out and do
26 something. Close proximity to banks, beaches, Chesapeake Bay, the Blue Ridge, Smoky
27 Mountains, many single-family homes, low overall cost of living, plenty of land available,
28 excellent regional medical facilities, locally grown meats and produce. Retirees like things like
29 that, and we have seen it numerous times in Alabama and further south. Good regional
30 shopping, close to the performing arts, excellent churches, that becomes a very important part of
31 the social life for a lot of people. When they move into an area, that's one of the first things they
32 want to do is get connected with a church. Unspoiled beauty, low crime rate, scenic attractions,
33 historic buildings, communications, all sorts of on-line possibilities, good wireless
34 communication. These things are getting more and more important as time goes by. Low
35 congestion, low noise and pollution.

36 These are some things that I thought would be important to you that the region might
37 consider or they might want to try to enhance to encourage people to come to a retirement area.
38 There seems to be more new homes for retirees, and I think you can do that by getting some
39 large developers of retirement communities interested in land in the region. They will then
40 market the region for you. You bring them in and recruit them much the way you would other
41 types of industry. Rental housing, a lot of people before they move and relocate like to rent in an
42 area for six months or a year to see how they like it. More kinds of housing for seniors, this is
43 another aspect of retirement communities. What you have to remember and understand is that
44 they start out somewhat independent, if they live long enough they are going to be totally

1 dependent. As they get to be more dependent their housing and their healthcare needs start to
2 merge. They are out here and very independent, and they are looking for single detached
3 housing so that they can get out and hunt, fish, and play golf and that sort of thing. They are
4 going to be looking for places like rural areas and looking for that independence. As they get a
5 little older and get a little more dependent and health problems or they lose one of their spouses
6 or something like that they are going to be needing more assistance with services and daily
7 activities. They are going to be looking for housing that has services or looking for smaller
8 units. They tend to move more into the assisted living and eventually into nursing homes. This
9 entire housing and healthcare and services are all part of the retirement industry. You're going to
10 find in Roanoke and Bristol and some of the more urban areas, you're going to find more of these
11 co-ops or condominium type facilities. What we found in Florida is that retirees, and one of the
12 reasons people are relocating now is that the people move into an area, maybe a duplex or a
13 house that they know if they need it they can move over to a condominium and some
14 condominiums with services and then eventually get into assisted living and maybe have access
15 to a nursing home.

16 Some of this we're talking ten or fifteen or twenty years out. The first phase is to try
17 to bring in the new retirees to the region, and as they get here you are going to find that some of
18 the people that are already in the region you try to keep those people here and keep them from
19 moving out of the region, and what is going to happen is you're going to end up with more of
20 these assisted living facilities, more like garden homes and patio homes and those type of homes.
21 The single family housing that these people move out of will become open and attract a new
22 group of retirees, which sort of keeps the thing moving.

23 An increase in transportation from some of the rural areas, enhance healthcare service
24 in some of the rural areas, more physicians, some arrangements with regional medical centers,
25 some more commercial services in the rural areas. You're going to find that as you bring retirees
26 in, and we've found in one study that over a twenty-year period as the retirees moved in they
27 started demanding services, but what happened was that the number of restaurants increased, the
28 number of real estate agencies increased, banks increased, and healthcare facilities. These
29 people basically have the money and demand that they be supplied by services. That's the way it
30 seemed to work. Jobs follow people with money.

31 MS. TERRY: What do you mean by more public transportation in rural
32 areas?

33 DR. FAGAN: It's hard to get taxis and things like that.

34 MR. MONTGOMERY: Down in Lee County, Mountain Empire, they got
35 public transportation in Scott County, for a dollar you can go anywhere. Anybody can ride it, but
36 I think maybe a certain level of people can ride it free.

37 DR. FAGAN: A lot of people don't know their way around, so they'd like to
38 have somebody drive them around. A lot of these assisted living facilities and those types of
39 places, they have vans and things like that where people are picked up, and they can ride that. It
40 is something to think about, and there are a lot of ways to go about it. Sometimes you can get
41 private citizens to respond to it. We can stop there and then have lunch and then come back and
42 finish.

43
44 NOTE: A luncheon recess is had.

1 DR. FAGAN: All right, what I would like to see is a regional approach, and
2 so as you will see it is easier to market an entire region, it is easier to get visitors to come to a
3 region. The best marketing tool you have is to get people in the region and show them what you
4 have.

5 What you really need in the retirement industry is that you need the local communities
6 or counties to get organized so they can respond to inquiries when people come through an area,
7 when they come through an area to visit as a tourist, then these tourist brochures and literature of
8 that type will be very helpful. Brochures, guidebooks, anything involved with tourism will help.
9 People want answers to substantive questions if they are thinking about a retirement area. A
10 tourism agency isn't really set up to do that. They don't really want to do it, and they don't have
11 the time to do it. The local Chambers of Commerce, or the city government, or there needs to be
12 a local entity that has volunteers that when they get an inquiry about retirement in the area they
13 can organize and pull together the answers to the cost of living questions, healthcare, real estate,
14 the crime rate, everything that we have been talking about, so they can get that information to the
15 potential retirees.

16 In 1990 I helped put together in Alabama programs for retirees. There really wasn't a
17 tourism industry organization in our state that did that, but we got ninety-four local communities
18 that agreed to be part of this. What we did then was develop statewide brochures, and I wrote a
19 guidebook for retirement in Alabama. We put these statewide brochures in all of our welcome
20 centers and tourism offices so people could get this information if they wanted it. I got a friend
21 of mine to come in and do a press kit and had them in our popular areas, and he wrote three or
22 four stories, and we sent those out in what we call the mature market newspapers. Those
23 publications were primarily aimed at people over fifty, and we also had an 800 number. When
24 people called the 800 number we would send them the brochure. The brochure was a general
25 description of why they should consider coming to Alabama. It also had a response card in the
26 back so if they would pick up the brochure they could fill out their name, address and phone
27 number or e-mail and send it to us, and we would send them the guidebook. If they didn't have
28 time to fill out the card, we weren't going to give them the guidebook, because they would just
29 throw it in the trash. The guidebook would contain a description of all of these various
30 communities with a bingo card in the back that said if you want more information on any of
31 these communities circle the ones that you want and send us back this card. When they did that
32 we would set up a database in the Department of Community Affairs for all these inquiries.
33 Then at the end of each month we would send out to the local Chamber of Commerce and to all
34 the retirees development committees and centers, and we would send them all these inquiries.
35 They then would send that person information about their retirement community, and that is
36 where the real program takes place.

37 MR. MONTGOMERY: Can you do that on the Internet now?

38 DR. FAGAN: Yes. The point that I am making is that if you could
39 somehow promote the entire region or have some kind of a central office to make some sort of an
40 effort or some way where you could advertise the region and get the brochure and guidebook on
41 these retirement regions and distribute that and then get all that information out to people and
42 spend some money on advertising for the region, you can also organize and provide some
43 technical assistance to the local communities or local entities so they can get organized to
44 respond to these inquiries so people that wanted to could come and visit, and that is what I think

1 needs to be the next step.

2 MR. OWEN: In your experience with these local economic development,
3 whether they are city government or separate organizations, how are they to deal with economic
4 developers as opposed to chasing what you call smokestacks.

5 DR. FAGAN: From my experience most of the county commissioners and
6 people I deal with at the local level do not understand this retirement industry at all. All they are
7 thinking about is we've got to get a picture in and create a hundred new jobs. Some of these
8 plants could close within a year or two, and they have to give away a lot sometimes to get people
9 to come, and they don't care about that. When these retirees move in and it is harder to track,
10 you've almost got to go to the courthouse records and things like utility hookups to get
11 information. Time and time again I surveyed, and that is how I started developing my
12 information on the economic impact.

13 To get back to your question, I'm helping some of these developers educate the county
14 commissioners about why this industry and why this is something you want to do. The bottom
15 line is that in the county you are either going to progress or regress. If you want to create jobs
16 what are your alternatives and what are your resources? Do you have a lot of money to try to get
17 Microsoft to relocate to your area? What are those chances? Do you have the proper labor
18 sources to work in a place like that?

19 Also, infrastructure is another question you have to deal with. If you start looking at
20 these rural areas they do have what your retirees are looking for, though, and you can get into
21 this retirement industry without a lot of up-front money. It's an uphill battle, and I'll grant you
22 that. I've been doing this for twenty years and started this in 1983, it's an uphill battle.

23 The idea is to develop some promotional literature in order to respond to inquiries.
24 This promotional literature would talk about the strengths that I have already mentioned here, the
25 four seasons climate and all that sort of stuff. Between '95 and 2000 Virginia had fifty-nine
26 thousand in- migrants sixty and over but sent out forty-nine thousand, but they had a net of ten
27 thousand. Remember that three point seven factory jobs figure that I gave you, and there is an
28 impact there already. They were number nine of out of all the fifty states retirees' attraction.

29 MS. TERRY: When you say forty-nine migrants-out, were they senior
30 citizens?

31 DR. FAGAN: Yes, they were sixty and over, going to North Carolina,
32 Florida and whatever, but there was a net number. From 2000 to 2003 for sixty-five plus and
33 from seven hundred ninety-two thousand to eight hundred thirty-three and you gained forty-one
34 thousand, and that was seventh nationally in the change between 2000 and 2003. You increased
35 5.2 percent of your sixty-five and over population, and that was the eleventh highest.
36 Approximately twenty-two percent of thirty-five million people aged fifty to fifty-five will
37 relocate for retirement. There are seventy-eight million baby boomers, and it is a demographic
38 phenomenon, and it is coming through the population. So there are a lot of people looking for
39 places to retire.

40 So, what are my recommendations? Develop a brochure for retirement in the region, a
41 guidebook or some sort of regional retiree information center, advertise the region, and develop a
42 web site. Develop an on-line regional tour, get some video tapes and use that. In Alabama the
43 power company had a resource center, and they would go out and videotape communities. If
44 they had a prospect they would let those people choose which videotape they were interested in,

1 and then they would go out and look at properties and areas. So we just said why can't we do
2 that, if you can mail a videotape to that person you might get them interested.

3 Self-guided tours is another thing and very popular, people that came into the county
4 that didn't know their way around and had never been there, and sometimes they wanted to go by
5 themselves and didn't want somebody showing them, but, of course, that works the other way,
6 too. Some people like to get in the car and put in tapes and listen and go on their own. Those
7 tapes could also tell them to turn right on highway so-and-so, and you're looking at such-and-
8 such, there is the historic so-and-so, and that type of thing. You can tour the whole area that way.

9 This is our hospital, please go see so-and-so, they would have that information. That took a lot
10 of liability away from the Chambers, because people drove in their own car and spent their own
11 gas.

12 Develop outdoor signs on major highways. These people that are touring and looking
13 for a place to retire are just looking for somewhere to go. Get off Highway I-40 and come and
14 check your e-mail and get some fresh lemonade at our retiree welcome center. I've been to those
15 places where they have volunteers, and it is just like a party going on full-time. It's like the front
16 room of somebody's home, and people stop there and get all the brochures, and if people are
17 friendly and nice to them they will sit and talk to people right there at the retirement relocation
18 center. When you get people to come in they can do these familiarization tours, establish a
19 database like I talked about.

20 Coordinate a regional conference, and that's what I really think we should do, and I
21 would love to help you with it. We used to do those annually in Alabama, and then Mississippi
22 picked it up. We set up a matching grants program, and if you can help them with a matching
23 grant and they raise local money for brochures you might help some of these organizations with
24 some grant money.

25 What we need to do is contact all the Chambers of Commerce and city governments
26 and whatever in the region and have them all come together for at least a day, or any way you
27 want to do it, maybe have it in an afternoon and a little reception thing you're talking about the
28 next morning. Give them an idea of how to organize this. What I do, usually, and this is about
29 an hour on economic impact, and then I do an hour on how to organize a retirement center. I do
30 an hour on the marketing. By the time they go through a series of about five or six hours of
31 training with handouts they can go back and get their committees put together, and they get
32 excited about it. That would do a lot to publicize it through the region, so that is why I was
33 going to suggest to Tim and Ned, or anyway you want to do it, you can release this executive
34 summary. I'd get this information out to all the newspapers in the region. I think you can
35 generate a lot of interest, and I think you'll be surprised as to how well a lot of these people at the
36 local level respond to this. It is unbelievable the publicity that we generated. It's a good news
37 story. When you say this is a good area to retire the politicians are not going to say that it is not,
38 and neither are the newspapers. So-and-so says we are a nice place to live and retire.

39 I mentioned matching grants. Develop a package of documents there. I was talking to
40 Mr. Taylor and some of these areas that have some interest in these larger developers. Just like
41 they develop a package to recruit a manufacturing industry, get the local people to develop a
42 package of potential development sites for a retirement community. You can mail it out to large
43 home builders, because those people are looking for places. The national home builders are
44 buying large tracts of land. They like to come in after a local developer has already gotten

1 approval, and they want to buy a hundred lot tracts at a time. They will tie up the land, and the
2 local builders can't compete. The local builders end up working for them. You can use these for
3 recruiting and developing home builders for the region.

4 Because of the September the 11th incident I think tourism, I think you are going to
5 have more and more people moving to open areas and away from the urban areas or less
6 populated rural areas. I think that transition is coming, and I think it is going to continue. The
7 fact is that the lower cost areas are going to continue to be popular. I told you a little bit about
8 what we did in Alabama. We went to the state level and went to our Director of our State
9 Pension Fund, and we asked him if he would be interested in financing a Del Webb, or if he
10 would finance something like a Sun City. The image of Alabama was black and white television,
11 water hoses and police dogs, red clay strung with pine trees. So we had a little bit of an image
12 problem. He said we'll do our own, and so we set up these Robert Jones Golf Trails. It was done
13 for three reasons, and that was to attract tourism, retirees, and the third thing was to enhance the
14 quality of life and attract new industry. That has really expanded, and we have a lot of golfing
15 facilities. Tourism in our state increased from two and a half to a little over six billion now.
16 People are coming to Alabama to see what we have, and we are getting a lot of retirement stuff
17 around those things and a lot of commercial development, and that has just been amazing. At
18 Jacksonville State we hosted the American Association of Retirement Communities. Our school
19 is in the northeastern part of Alabama and half way between Birmingham and Atlanta and two
20 hours from Chattanooga. We have a Center of Economic Development that I work through.
21 Here is a book that I put out that the U. S. Development Administration asked me to write and
22 that has been used all over the country. These are just some of the topics in there. Some of the
23 information in there is information about what other states are doing and have done, strategies.
24 It also covers advertising and promotions.

25 I think you have a lot going for yourselves up here, and I would encourage you to take
26 the next step. I'll talk to Tim a little further about maybe working up a proposal for a regional
27 conference on retirement development, and maybe that would be the next step to think about. I'll
28 be available to answer any questions. You'll be very surprised as to where all this can lead, and it
29 is something that you can do in addition to what you are doing, but it helps you to diversify and
30 stabilize your economy. Thank you, very much.

31 MR. OWEN; What is the distribution of this executive report?

32 MR. STEPHENSON: From Mark to me today and full distribution to the
33 Commission before the meeting. I have a question. Are the Chambers of Commerce not doing
34 an adequate job in this area, or are they equipped for it, the tobacco regions?

35 DR. FAGAN: I would think they have not realized the potential yet. I think
36 they are more concerned about the manufacturing industries, and I didn't go into spending a lot
37 of time interviewing those folks, but I haven't really seen much out of them about retirement.
38 My initial purpose was just get a feel for the potential that was here. I think it is time to step up
39 now and have some dialogue with these Chambers.

40 MS. TERRY: I think it is helpful to think of the retirement population in a
41 positive way, because so much of what the local government officials are talking about is that we
42 have an aging population. So I think from the standpoint of a lot of people they haven't spent
43 much time thinking about this. The fact that there are more aging people coming in kind of
44 bounces off that frame of reference. I think if we ourselves can find the folks that might just

1 react if we think more granually about the different types of aging population.

2 MR. TAYLOR: We already have in Southside Virginia here, Britt here is
3 set up in Southside Virginia and Jerry in Southwest. Are you saying that we should expand our
4 personnel there to do the regional concept that you were talking about?

5 DR. FAGAN: I think so. I didn't understand the first phase, getting into the
6 political structure. I just wanted to introduce the concept and let you all figure out how to do it
7 and what would be most feasible for you. Our state tourism industry did not want it, and our
8 Commission on Aging didn't want it. The problem is that people that deal with tourism don't
9 understand retirees. People in Aging don't understand economic development. The people they
10 deal with all the time are the ones that are sick and worse off. Finding the right place for it is the
11 key. So what I'm saying is that we had to do this on our own. Once tourism understood that the
12 retirement program is the best thing they have had, they got a little more interested in it. Initially
13 they were like we don't have the resources for it, so we sort of basically had to set up the
14 resources for it. I just think this is one type of development that we can do, I'm very excited
15 about it.

16 MR. OWEN: Where have they done a good job following the marketing
17 materials and those efforts and brochures? Have you seen any local venture capital play a
18 positive role in that, or developers?

19 DR. FAGAN: What I have seen, and some of the conversation reminded
20 me of it, these local development authorities, and if you look in the paper you've got the bankers
21 and the gas companies. For the local effort the most successful communities that I have seen is
22 when they get volunteers. They get people that actually return calls and are interested in what
23 they are doing. What we have done is have a local retirees' get-together at least once a month. I
24 say we, but I mean towns that I have visited in. If you sponsor an event and everybody came and
25 signed in you would get that list, and that is like fifty prospects for your bank or finance
26 company or whatever it is. We had ice cream socials, and if you can get these people moving
27 and going at the local level and get them excited about it and give them a little background and
28 education and give them some tools and give them some encouragement, you'll be totally
29 amazed at what happens. There are many people out there that want to volunteer.

30 MR. MONTGOMERY: Thank you, Mark. I understand the next committee
31 meeting has a quorum, so I think this probably ends our committee meeting, unless there are any
32 public comments. Seeing that there is no one, and no one wants to make a comment from the
33 public, if not, I'll declare this Committee meeting adjourned.

34
35 PROCEEDINGS CONCLUDED.

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38 CERTIFICATE OF THE COURT REPORTER

39
40
41 I, Medford W. Howard, Registered Professional Reporter and Notary Public
42 for the State of Virginia at large, do hereby certify that I was the court reporter who took down
43 and transcribed the proceedings of the **Citizen/Outreach Committee Meeting when held on**
44 **Wednesday, April 14, 2004 at 11:00 a.m. at Primland Resort, Patrick County, Virginia.**

1 I further certify this is a true and accurate transcript to the best of my ability
2 to hear and understand the proceedings.

3 Given under my hand this 24th day of April, 2004.
4
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6

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8 _____
9 Medford W. Howard
10 Registered Professional Reporter
11 Notary Public for the State of Virginia at Large
12

13 My Commission Expires: October 31, 2006.
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